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# **Tobin & Co.**

Kalkaska Township

Kalkaska County, Michigan

Audit Report

For the Year Ended March 31, 2007

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <b>Kalkaska Township</b>	County <b>Kalkaska</b>
Fiscal Year End <b>3/31/07</b>	Opinion Date <b>8/24/07</b>	Date Audit Report Submitted to State <b>9/11/07</b>	

We affirm that:

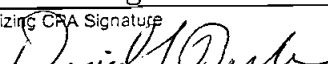
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☐ ☒ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☐ ☒ The local unit is free of repeated comments from previous years.
  - ☒ ☐ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) <b>Tobin &amp; Co., P.C.</b>		Telephone Number <b>231-947-0151</b>	
Street Address <b>400 E. Eighth St.</b>		City <b>Traverse City</b>	State <b>MI</b>
		Zip <b>49686</b>	
Authorizing CRA Signature 	Printed Name <b>DAVID L. BASLER</b>	License Number <b>1101013418</b>	

# **Tobin & Co.**

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INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Kalkaska Township, Kalkaska County, for the year ended March 31, 2007 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Kalkaska Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Records were maintained in excellent condition by your present Clerk and Treasurer. Recorded revenues were deposited intact, journals and ledgers were properly posted, Board minutes were maintained in good order, and supporting documents and follow-up procedures appeared adequate. The efforts of these officials for 2006-2007 are commendable.

We did note some shortcomings in internal control relative to the cash accounts maintained by the Township Fire Department. According to the Governmental Accounting Procedures Manual of the Michigan Department of Treasury, the Township Treasurer must maintain control of all Township bank accounts, dual signatures, that of clerk and treasurer, are required on all checks, and all expenditures must be approved by the Board. These procedures were not in place during the audit year for these separate Fire Department accounts.

In addition, we noted expenditures from these accounts which, according to the Michigan Department of Treasury's Bulletin for Audits of Local Units of Government, are considered unallowable expenses for Townships.

These comments and recommendations are intended to take the place of a separate management letter.

### Budgets and Procedures

The General Fund expenditure budget was \$438,700 higher than actual expenditures. This matter should receive special attention in future budget preparation, since the budget is intended to be the best estimate by Township officials of actual revenues and expenditures in the forthcoming fiscal year. See Note 2 of the Notes to the Financial Statements

### General Fund

The General Fund is presented on Schedule 1 of this report. Revenues totaled \$510,172 and expenditures totaled \$530,000. In addition the General Fund transferred \$30,000 to the Improvement Revolving Fund. The fund balance at March 31, 2007 was \$480,641. As noted earlier, expenditures were materially lower than budgeted.

### Improvement Revolving Fund

This fund is permitted by statute and is used to set aside monies for Township improvements. No more than the equivalent of 2 mills of the taxable value may be placed in the fund in one year, and the total may not exceed 5 mills of the current valuation. The statute also permits the Township Board to return portions to the General Fund at any time. The fund is classified as a Special Revenue Fund for which a budget is required.

For the audit year, this fund had earned interest of \$10,820 and a \$30,000 transfer from the General Fund. There was a balance of \$478,773 in this fund at March 31, 2007. See Schedule 2.

### Cemetery Perpetual Care Fund

This fund is used to account for deposits for the perpetual care of cemetery lots and for interest earned from such deposits. During the audit year deposits of \$10,212 remained in the fund which reflected a fund balance of \$108,926 at March 31, 2007. Of the fund balance, \$79,415 was non-expendable.

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## Comments and Recommendations

### Property Tax Administration Fees

A 1% property tax administration fee, permitted by statute, was levied on all 2006 property taxes. Fees collected may be used only to offset such property tax administration costs as assessing, collecting and the review and appeal process. As reflected on Schedule 6, costs for the audit year exceeded fees collected by \$19,231, so the Township was in compliance with statutory requirements. As of March 31, 2007, there are accumulated excess expenditures of \$271,845.

### Property Tax Collections

The collection and distribution of the 2006 tax levy was handled in an excellent manner by the Township Treasurer. Deposits were made every few days and were intact. Payments to taxing units during the collection period were in accordance with statutory requirements.

### Insurance and Surety Bond Coverage

Our examination disclosed that the Township has such insurance coverage as fire and lightning, liability, errors and omissions, equipment, crime and workmen's compensation. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, their deputies, and the Supervisor are covered by surety bonds. There is also a blanket bond covering all employees.

### Other Data

We are pleased to note the use of interest bearing bank accounts and investments which resulted in earned interest of over \$33,310 for the audit year. This is excellent, and we commend efforts of the Treasurer and Board members in this important area of financial management.

Payroll records reflect that proper procedures are being followed in payroll withholdings, remittances, federal and State reports, etc.

After completion of our audit, we will transmit two (2) copies of this report to the State Department of Treasury.

We again commend the Clerk and Treasurer for the excellent condition of the Township records. We further appreciate the courtesy extended our field auditor in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

# **Tobin & Co.**

## FINANCIAL SECTION

# Tobin & Co.

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Kalkaska Township  
Kalkaska County  
Kalkaska, Michigan 49646

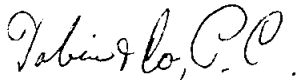
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Kalkaska Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Kalkaska Township at March 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis are not a required part of the basic financial statements, but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Kalkaska Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.  
August 24, 2007



# **Tobin & Co.**

## **KALKASKA TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS**

As the Township Board of the Kalkaska Township, Kalkaska County, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Kalkaska Township for the fiscal year ended March 31, 2007.

### **Financial Highlights**

The assets of Kalkaska Township exceeded its liabilities at the close of the most recent fiscal year by \$1,488,456. Of this amount, \$505,276 may be used to meet the Township's General Fund ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$1,068,346, an increase of \$1,204 in comparison with the prior year. Of this amount, \$988,925 is available for spending at the Township's discretion.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$480,641, or 91% of total general fund expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Kalkaska Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

#### **1. Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the Township's assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include: General Government, Public Safety, Road Projects, and Township Improvements. Kalkaska Township does not have any business-type activities.

#### **2. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Kalkaska Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Kalkaska Township are categorized as governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Kalkaska Township maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Improvement Revolving Fund, which are considered to be major funds. All Township government activities are included in these two funds.

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The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial resources because the resources of those funds are not available to support the Township's own programs.

The basic Fiduciary fund financial statements can be found on page 14 of this report.

### 3. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### General Fund Analysis and Highlights

Township General Fund operations were consistent with prior years in receipt of revenues and provision of services.

#### Condensed Financial Information

##### Net Assets

	Governmental and Total Activities	
	<u>3/31/07</u>	<u>3/31/06</u>
Current Assets	\$ 1,093,029	\$ 1,094,081
Capital Assets	<u>395,481</u>	<u>408,016</u>
Total Assets	<u>1,488,510</u>	<u>1,502,097</u>
Current Liabilities	<u>54</u>	<u>44</u>
Total Liabilities	<u>54</u>	<u>44</u>
Net Assets:		
Investment in Capital and Intangible Assets, net of related debt	395,481	408,016
Restricted	79,415	73,263
Unrestricted	<u>1,013,560</u>	<u>1,020,730</u>
Total Net Assets	<u>\$ 1,488,456</u>	<u>\$ 1,502,053</u>

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## Activities

	Governmental and Total Activities	
	3/31/07	3/31/06
Program Revenues:		
Charges for Services	\$ 72,928	\$ 63,196
Operating Grants	20,787	32,796
General Revenues:		
Property Taxes	217,414	206,979
State Shared Revenues	177,675	175,870
Other	40,134	33,493
Total Revenues	528,938	512,334
Expenses:		
General Government	285,725	271,178
Public Safety	129,895	138,436
Public Works	126,915	34,223
Health and Welfare	-	2,917
Total Expenses	542,535	446,754
Change in Net Assets	\$ (13,597)	\$ 65,580

## Capital Asset and Debt Administration

### Capital Assets

The Township's investment in capital assets for its governmental activities as of March 31, 2007, amounts to \$395,481. This investment in capital assets includes: land, township hall, parks facilities, cemetery buildings and equipment, fire and rescue trucks and equipment, and office equipment and computers. This is the first year that the total Township's investment in capital assets has been assessed and reported. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives.

### Cash Assets

At the end of the current fiscal year, the Township had \$1,061,363 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds and we have made no changes in our investment strategy in several years.

### Long-term Debt

At the end of the current fiscal year, the Township had no debt outstanding.

### Pension Plan

The Township makes contributions equal to approximately 11.5% of each employee's wage to Municipal Retirement Systems, Inc. on behalf of each participating employee. This is an expensed item in the budget and totaled \$11,366 for the fiscal year.

### Currently Known Facts, Decisions, or Conditions

Kalkaska Township did not do road improvements this year as the adjoining Township did not want to participate in sharing the cost. They may want to in 2008. This was approximately \$90,000 of our Highway budget.

Our new Policies and Procedures will be adopted at our September meeting.

### Requests for Information

This financial report is designed to provide a general overview of Kalkaska Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Connie Winter, Clerk, Kalkaska Township, P.O. Box 855, Kalkaska, MI 49646.

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## Kalkaska Township Statement of Net Assets March 31, 2007

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u> <u>And Total</u>
Assets	
Cash	\$ 1,061,363
Receivables	31,666
Capital Assets	
Land	8,000
Other Capital Assets, Net of Depreciation	<u>387,481</u>
Total Capital Assets	<u>395,481</u>
Total Assets	<u>1,488,510</u>
Liabilities	
Accounts Payable	<u>54</u>
Total Liabilities	<u>54</u>
Net Assets	
Invested in Capital Assets	395,481
Restricted for:	
Cemetery Perpetual Care	79,415
Unrestricted	<u>1,013,560</u>
Total Net Assets	<u>\$ 1,488,456</u>

See Accompanying Notes to Basic Financial Statements

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Kalkaska Township  
Statement of Activities  
For the Year Ended March 31, 2007

Functions/Programs	Program Revenues			
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>
Governmental Activities:				
Legislative	\$ 23,473	\$ -	\$ -	\$ (23,473)
General Government	262,252	38,763	6,152	(217,337)
Public Safety	129,895	19,130	8,675	(102,090)
Public Works	<u>126,915</u>	<u>15,035</u>	<u>5,960</u>	<u>(105,920)</u>
Total Governmental Activities	<u>\$ 542,535</u>	<u>\$ 72,928</u>	<u>\$ 20,787</u>	<u>(448,820)</u>
General Revenues:				
Taxes				217,414
State Grants				177,675
Unrestricted Investment Earnings				33,310
Miscellaneous				<u>6,824</u>
Total General Revenues				435,223
Change in Net Assets				(13,597)
Net Assets – Beginning				<u>1,502,053</u>
Net Assets – Ending				<u>\$ 1,488,456</u>

See Accompanying Notes to Basic Financial Statements

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## Kalkaska Township Balance Sheet Governmental Funds March 31, 2007

	<u>General</u>	<u>Township Improvement</u>	<u>Other</u>	<u>Total</u>
<b>Assets</b>				
Cash in Bank	\$ 473,664	\$ 478,773	\$ 108,926	\$ 1,061,363
Delinquent Taxes Receivable	24,635	-	-	24,635
Due from other Funds	60	-	-	60
Due from other Units	<u>6,971</u>	<u>-</u>	<u>-</u>	<u>6,971</u>
<b>Total Assets</b>	<b><u>\$ 505,330</u></b>	<b><u>\$ 478,773</u></b>	<b><u>\$ 108,926</u></b>	<b><u>\$ 1,093,029</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 54	\$ -	\$ -	\$ 54
Deferred Revenue	<u>24,635</u>	<u>-</u>	<u>-</u>	<u>24,635</u>
<b>Total Liabilities</b>	<u>24,689</u>	<u>-</u>	<u>-</u>	<u>24,689</u>
<b>Fund Balances:</b>				
Reserved	-	-	79,415	79,415
Unreserved	480,641	478,773	-	959,414
Unreserved Reported in Nonmajor:				
Permanent Fund	<u>-</u>	<u>-</u>	<u>29,511</u>	<u>29,511</u>
<b>Total Fund Balances</b>	<u>480,641</u>	<u>478,773</u>	<u>108,926</u>	<u>1,068,340</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 505,330</u></b>	<b><u>\$ 478,773</u></b>	<b><u>\$ 108,926</u></b>	
Amounts reported for governmental activities on the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				395,481
Delinquent property taxes received after 60 days are recognized as revenues and not deferred for the statement of net assets.				<u>24,635</u>
Net assets of governmental activities.				<u>\$ 1,488,456</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Kalkaska Township Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended March 31, 2007

	General	Township Improvement	Other	Total
<u>Revenues</u>				
Taxes	\$ 234,715	\$ -	\$ -	\$ 234,715
State Grants	183,635	-	-	183,635
Charges for Services	52,547	-	6,152	58,699
Interest and Rents	23,776	10,820	4,060	38,656
Other	<u>15,499</u>	<u>-</u>	<u>-</u>	<u>15,499</u>
Total	<u>510,172</u>	<u>10,820</u>	<u>10,212</u>	<u>531,204</u>
<u>Expenditures</u>				
Legislative	23,473	-	-	23,473
General Government	176,126	-	-	176,126
Public Safety	93,839	-	-	93,839
Public Works	126,915	-	-	126,915
Other	63,082	-	-	63,082
Capital Outlay	<u>46,565</u>	<u>-</u>	<u>-</u>	<u>46,565</u>
Total	<u>530,000</u>	<u>-</u>	<u>-</u>	<u>530,000</u>
Excess Revenues (Expenditures)	(19,828)	10,820	10,212	1,204
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	30,000	-	30,000
Operating Transfers (Out)	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Total	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	(49,828)	40,820	10,212	1,204
Fund Balance -- Beginning of Year	<u>530,469</u>	<u>437,953</u>	<u>98,714</u>	
Fund Balance -- End of Year	<u>\$ 480,641</u>	<u>\$ 478,773</u>	<u>\$ 108,926</u>	
Governmental funds defer property tax revenues received more than 60 days after the year end as unavailable financial resources for the fund financial statements. In the statement of activities these are not deferred.				(2,266)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.				<u>(12,535)</u>
Change in Net Assets of Governmental Activities.				<u>\$ (13,597)</u>

See Accompanying Notes to Basic Financial Statements

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## Kalkaska Township Statement of Fiduciary Net Assets March 31, 2007

Assets	Agency Funds
Cash	\$ 7.125
Total Assets	<u>7.125</u>
Liabilities	
Undistributed Taxes and Interest	6,765
Due to Other Units of Government	300
Due to Other Funds	<u>60</u>
Total Liabilities	<u>7.125</u>
Net Assets	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements



# Tobin & Co.

## Kalkaska Township Notes to Financial Statements March 31, 2007

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Kalkaska Township is a general law township located in Kalkaska County. Population as of the 2000 census was 4,830, and the taxable value is \$159,373,954.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

#### B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Permanent Funds – These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting governments programs.

#### Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

# **Tobin & Co.**

Kalkaska Township  
Notes to Financial Statements  
March 31, 2007

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

### **D. Budgets**

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the required supplementary schedules for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

### **E. Capital Assets**

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$2,500 to \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	20 years
Buildings	40 years
Building Improvements	25 years
Vehicles	10 years
Furniture and Fixtures	10 years
Equipment	5 years

# Tobin & Co.

## Kalkaska Township Notes to Financial Statements March 31, 2007

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	<u>SEV</u>	<u>Taxable Value</u>	<u>Millage Rate</u>
General Operating	\$199,023,500	\$159,373,954	.9651

#### G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2007.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended March 31, 2007, no cost center exceeded its budget.

### NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

#### A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).

# Tobin & Co.

## Kalkaska Township Notes to Financial Statements March 31, 2007

### NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

#### A. Legal Provisions for Deposits and Investments (Continued)

- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

#### B. Types of Deposits and Investments

The Township had \$1,395,846 deposited with local financial institutions at March 31, 2007 with a carrying value of \$1,068,488. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$638,216 of uninsured deposits at March 31, 2007.

### NOTE 4 - RECEIVABLES

\$24,635 of receivables of governmental activities represents delinquent property taxes and \$60 represents mobile home park fees.

### NOTE 5 - CAPITAL ASSETS

Governmental Activities:	03/31/06	Additions	Dispositions	03/31/07
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Buildings and Improvements	283,790	19,381	-	303,171
Equipment	151,160	9,448	-	160,608
Vehicles	310,495	-	-	310,495
	753,445	28,829	-	782,274
Less Accumulated Depreciation	(345,429)	(41,364)	-	(386,793)
Governmental Activities Capital Assets, Net	\$ 408,016	\$ (12,535)	\$ -	\$ 395,481

### NOTE 6 - TRANSFERS BETWEEN FUNDS

During the audit year the General Fund transferred \$30,000 to the Improvement Revolving Fund.

### NOTE 7 - LONG-TERM DEBT

The Township has no long-term debt and no such borrowing is anticipated in the near future.

### NOTE 8 - INVENTORIES

Kalkaska Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

# **Tobin & Co.**

## **Kalkaska Township Notes to Financial Statements March 31, 2007**

### **NOTE 9 - PENSION PLAN**

The Township participates in a defined contribution pension plan administered by Municipal Retirement Systems, Inc. By Board resolution, the Township pays a contribution of 11.5% of annual compensation.

The plan covers all elected officials and the assessor with 100% immediate vesting upon early retirement, termination of service, death, disability, or normal retirement. Required Township contributions of \$11,366 were paid for the audit year. Covered compensation for the audit year was \$99,983 out of total employee compensation of \$159,738.

The Township provides social security coverage for its officials and employees.

### **NOTE 10 - CONTINGENT LIABILITIES**

Township officials are aware of no material contingent liabilities as of March 31, 2007.

### **NOTE 11- COMPENSATED ABSENCES**

The Township assessor is entitled by contract to fifteen paid vacation days and five paid sick days per year. All compensated absence time must be used prior to year end with no accumulation.

### **NOTE 12- RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 13- LEASE**

The Township leases the land upon which its offices and fire department are located for \$1 per year under a 99-year lease expiring in 2082.

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

## Kalkaska Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2007

Schedule 1  
Page 1

Revenues	Budgetary Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Taxes:				
Current Taxes	\$ 119,000	\$ 119,000	\$ 125,109	\$ 6,109
Delinquent Taxes	5,000	5,000	21,092	16,092
Swamp Tax	22,000	22,000	22,493	493
Other Property Taxes	500	500	489	(11)
Special Assessments	1,800	1,800	15,035	13,235
Penalties and Interest on Taxes	-	-	2,762	2,762
Property Tax Administration Fees	41,000	41,000	47,735	6,735
State Grants:				
State Shared Revenues	179,000	179,000	177,675	(1,325)
Metro Act	6,000	6,000	5,960	(40)
Charges for Services:				
Summer Tax Collection	15,000	15,000	13,770	(1,230)
Cemetery	7,000	7,000	10,450	3,450
Sales	5,000	5,000	7,072	2,072
Fire Protection	24,000	24,000	19,130	(4,870)
Land Splits	-	-	2,125	2,125
Interest and Rents:				
Interest	14,000	14,000	18,430	4,430
Rents and Royalties	5,000	5,000	5,346	346
Other:				
Donations	-	-	8,675	8,675
Refunds and Reimbursements	-	-	6,824	6,824
Total Revenues	<u>444,300</u>	<u>444,300</u>	<u>510,172</u>	<u>65,872</u>
Expenditures				
Legislative:				
Township Board:				
Salaries and Wages	-	-	6,000	-
Supplies	-	-	2,581	-
Legal and Contractual	-	-	3,113	-
Maintenance and Repairs	-	-	634	-
Printing and Publishing	-	-	433	-
Other	-	-	10,712	-
Total	<u>46,500</u>	<u>46,500</u>	<u>23,473</u>	<u>23,027</u>
Total Legislative	<u>46,500</u>	<u>46,500</u>	<u>23,473</u>	<u>23,027</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Kalkaska Township  
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 2

Expenditures (Continued)	Budgetary Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	6,500	-
Total	6,500	6,500	6,500	-
Elections:				
Salaries and Wages	-	-	5,846	-
Supplies	-	-	351	-
Contractual	-	-	2,680	-
Printing and Publishing	-	-	37	-
Total	17,000	17,000	8,914	8,086
Assessor:				
Salaries and Wages	-	-	46,318	-
Supplies	-	-	896	-
Tax Collection	-	-	3,034	-
Other	-	-	1,340	-
Total	54,000	54,000	51,588	2,412
Clerk:				
Salaries and Wages	-	-	20,000	-
Supplies	-	-	1,703	-
Total	23,500	23,500	21,703	1,797
Board of Review:				
Salaries and Wages	-	-	480	-
Printing and Publishing	-	-	151	-
Total	2,000	2,000	631	1,369
Treasurer:				
Salaries and Wages	-	-	20,000	-
Salaries and Wages - Deputy	-	-	2,434	-
Supplies	-	-	344	-
Tax Collection	-	-	15,017	-
Total	39,200	39,200	37,795	1,405

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Kalkaska Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 3

	Budgetary Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Township Hall and Grounds:				
Salaries and Wages	-	-	3,667	-
Supplies	-	-	604	-
Public Utilities	-	-	7,474	-
Maintenance and Repairs	-	-	1,016	-
Total	<u>30.000</u>	<u>30.000</u>	<u>12,761</u>	<u>17.239</u>
Cemetery:				
Salaries and Wages	-	-	22,623	-
Public Utilities	-	-	7,342	-
Maintenance and Repairs	-	-	5,709	-
Other	-	-	560	-
Total	<u>69.000</u>	<u>69.000</u>	<u>36,234</u>	<u>32.766</u>
Total General Government	<u>241.200</u>	<u>241.200</u>	<u>176.126</u>	<u>65.074</u>
Public Safety:				
Police Protection:				
Contractual Services	<u>20.000</u>	<u>20.000</u>	<u>17,671</u>	<u>2.329</u>
Total	<u>20.000</u>	<u>20.000</u>	<u>17,671</u>	<u>2.329</u>
Fire Protection:				
Salaries and Wages	-	-	29,884	-
Supplies and Small Tools	-	-	3,539	-
Gas and Oil	-	-	3,626	-
Outside Services	-	-	2,271	-
Education and Training	-	-	527	-
Public Utilities	-	-	9,953	-
Repairs and Maintenance – Vehicles	-	-	10,373	-
Repairs and Maintenance – Building	-	-	1,714	-
Repairs and Maintenance – Radio/Other	-	-	4,799	-
Other	-	-	9,482	-
Total	<u>146.000</u>	<u>146.000</u>	<u>76,168</u>	<u>69.832</u>
Total Public Safety	<u>166.000</u>	<u>166.000</u>	<u>93.839</u>	<u>72.161</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Kalkaska Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 4

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Public Works:				
Road Maintenance and Improvements	100,000	100,000	96,649	3,351
Township Cleanup	25,000	25,000	16,375	8,625
Street Lighting	6,000	6,000	3,875	2,125
Special Assessments	<u>10,000</u>	<u>23,500</u>	<u>10,016</u>	<u>13,484</u>
Total Public Works	<u>141,000</u>	<u>154,500</u>	<u>126,915</u>	<u>27,585</u>
Health and Welfare:				
Hospital Subsidy	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Health and Welfare	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Recreation and Culture	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Other:				
Employee Benefits and Insurance	87,000	92,000	58,419	33,581
Numbering System and 911	1,000	1,000	400	600
Unallocated	15,000	15,000	2,013	12,987
Industrial Growth	5,000	5,000	2,250	2,750
Contingencies	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Other	<u>128,000</u>	<u>133,000</u>	<u>63,082</u>	<u>69,918</u>
Capital Outlay	<u>231,000</u>	<u>231,000</u>	<u>46,565</u>	<u>184,435</u>
Total Expenditures	<u>968,700</u>	<u>987,200</u>	<u>530,000</u>	<u>457,200</u>
Excess Revenues (Expenditures)	<u>(524,400)</u>	<u>(542,900)</u>	<u>(19,828)</u>	<u>523,072</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	(1) <u>\$ (524,400)</u>	<u>\$ (572,900)</u>	<u>(49,828)</u>	<u>\$ 523,072</u>
Fund Balance – Beginning of Year			<u>530,469</u>	
Fund Balance – End of Year			<u>\$ 480,641</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Kalkaska Township Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual Improvement Revolving Fund For the Year Ended March 31, 2007

Schedule 2

	Budgetary Amounts			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Earned Interest	\$ 7,500	\$ 7,500	\$ 10,820	\$ 3,320
Total	<u>7,500</u>	<u>7,500</u>	<u>10,820</u>	<u>3,320</u>
<u>Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>7,500</u>	<u>7,500</u>	<u>10,820</u>	<u>3,320</u>
Other Financing Sources (Uses)				
Operating Transfers In	30,000	30,000	30,000	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>\$ 37,500</u>	<u>\$ 37,500</u>	40,820	<u>\$ 3,320</u>
Fund Balance -- Beginning of Year			<u>437,953</u>	
Fund Balance -- End of Year			<u>\$ 478,773</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Kalkaska Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Cemetery Perpetual Care Fund  
For the Year Ended March 31, 2007

Schedule 3

	Budgetary Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<u>Revenues</u>				
Perpetual Care Deposits	\$ 2,000	\$ 2,000	\$ 6,152	\$ 4,152
Earned Interest	<u>1,400</u>	<u>1,400</u>	<u>4,060</u>	<u>2,660</u>
Total	<u>3,400</u>	<u>3,400</u>	<u>10,212</u>	<u>6,812</u>
<u>Operating Expenses</u>	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total	-	-	-	-
Net Income (Loss)	<u>\$ 3,400</u>	<u>\$ 3,400</u>	10,212	<u>\$ 6,812</u>
Retained Earnings/Fund Balance – Beginning of Year			<u>98,714</u>	
Retained Earnings/Fund Balance – End of Year			<u>\$ 108,926</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Kalkaska Township  
Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended March 31, 2007

Schedule 4

	Trust and Agency Fund		
	Balance 3/31/06	Additions	Deductions
<u>Assets</u>			
Cash	\$ 210	\$ 53,759	\$ 53,609
Total Assets	\$ 210	\$ 53,759	\$ 53,609
<u>Liabilities</u>			
Undistributed Taxes and Interest	\$ -	\$ -	\$ -
Due to Other Units of Government	175	53,250	53,125
Due to Other Funds	35	509	484
Total Liabilities	\$ 210	\$ 53,759	\$ 53,609

	Current Tax Collection Fund		
	Balance 3/31/06	Additions	Deductions
<u>Assets</u>			
Cash	\$ 6,214	\$ 4,399,321	\$ 4,398,770
Total Assets	\$ 6,214	\$ 4,399,321	\$ 4,398,770
<u>Liabilities</u>			
Undistributed Taxes and Interest	\$ 6,214	\$ 4,399,321	\$ 4,398,770
Due to Other Units of Government	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	\$ 6,214	\$ 4,399,321	\$ 4,398,770

	Total		
	Balance 3/31/06	Additions	Deductions
<u>Assets</u>			
Cash	\$ 6,424	\$ 4,453,080	\$ 4,452,379
Total Assets	\$ 6,424	\$ 4,453,080	\$ 4,452,379
<u>Liabilities</u>			
Undistributed Taxes and Interest	\$ 6,214	\$ 4,399,321	\$ 4,398,770
Due to Other Units of Government	175	53,250	53,125
Due to Other Funds	35	509	484
Total Liabilities	\$ 6,424	\$ 4,453,080	\$ 4,452,379

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Kalkaska Township 2006 Property Tax Levy and Collections For the Year Ended March 31, 2007

Schedule 5

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	5.4562	\$ 829,534	\$ 724,616	\$ 104,918
Hospital	1.7000	258,445	220,306	38,139
Public Transit	0.2500	37,992	32,390	5,602
Commission on Aging	0.4988	75,766	64,641	11,125
Library	0.2488	37,809	32,236	5,573
Sportsplex	0.6985	106,184	90,514	15,670
State Education	6.0000	940,439	830,828	109,611
School District	20.1000	1,913,778	1,680,863	232,915
Intermediate School District	2.9421	465,283	412,119	53,164
Township - General	0.9651	146,709	125,109	21,600
State - IFT		42,298	42,298	-
Village		59,965	54,420	5,545
Special Assessments		<u>15,424</u>	<u>12,520</u>	<u>2,904</u>
Total		<u>\$ 4,929,626</u>	<u>\$ 4,322,860</u>	<u>\$ 606,766</u>
Percent of Levy Collected		87.69%		

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Kalkaska Township  
Statement of Revenues, Expenditures and Balance  
Property Tax Administration Fees  
For the Year Ended March 31, 2007

Schedule 6

## Revenues

Property Tax Administration Fees	\$ 47,735
Summer Tax Collection Fees	<u>13,770</u>
Total Revenues	<u>61,505</u>

## Expenditures

Assessor	51,588
Board of Review	631
Treasurer – 60% of Salary	12,000
Tax Roll Expenses	15,017
Use of Building	500
Insurance and Fringe Benefits	<u>1,000</u>
Total	<u>80,736</u>

Excess Revenues (Expenditures) (19,231)

Excess Revenues (Expenditures) – Prior Years (1) (252,614)

Accumulated Excess Revenues (Expenditures) \$ (271,845)

(1) Prior	\$ 26,872
1996-97	1,376
1997-98	16,371
1998-99	21,406
1999-00	22,120
2000-01	27,733
2001-02	23,863
2002-03	24,821
2003-04	30,523
2004-05	29,914
2005-06	<u>27,615</u>
	<u>\$ 252,614</u>

The Notes to the Financial Statements are an integral part of this statement.